

Aurum Mining Plc

Company No. 05059457

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

Annual Report and financial statements

for the year ended 31 March 2015

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Company information

Directors	David Williams Chairman Sean Finlay Non-Executive Director Haresh Kanabar Non-Executive Director
Company Secretary and Registered Office	Haresh Kanabar 22 Great James Street London WC1N 3ES
Company Number	05059457
Nominated Adviser and Broker	WH Ireland Limited 24 Martin Lane London EC4 0DR
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Solicitors	Wragge Lawrence Graham & Co LLP 4 More London Riverside London SE1 2AU
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Website	www.aurummining.net

Review of activities

for the year ended 31 March 2015

The Company's 2014 Interim Results, which were published on 6 November 2014, outlined that the Board was in the process of transforming the Company and changing the Company's strategy and direction in response to the very challenging market conditions that continue to blight the junior natural resource sector. The announcement went on to say that the Board would be working closely in conjunction with the Company's major Shareholder to identify and complete a transformational deal that will enhance the future of the Company.

Since November, the evolution of the Company has continued and this has been evidenced by Board changes, a fundraise to put the Company on a sound financial footing and during this period the Board has looked at a number of potential opportunities for the Company. The key is to find a deal that will give the Company a sustainable and long-term future, freeing the Company from being a victim of the structural change occurring in the junior mining market.

Most significantly, in April 2015, the Company announced that David Williams, the Company's major Shareholder with over 29% of the issued share capital of the Company had agreed to join the Board as Chairman. Not only has David been a highly supportive major Shareholder in recent years, he also has a huge amount of business experience, and this experience will be instrumental in helping the Company achieve its objectives.

Shareholders in AIM quoted junior mining companies have faced a long period of falling valuations and increased dilution, and with no end in sight for the ongoing downturn, the Board feels that this change in strategy is unquestionably the right thing for the Company to do, and with David at the helm, the Company will continue to review and appraise opportunities that have the potential to help Aurum complete its transformation.

The Board is looking forward to keeping the market up to date with progress.

Gold projects

In tandem with the new strategic approach, the Company will be looking to drive value from the successful exploration work done on the gold projects to date. Aurum is working closely with its joint arrangement partner Ormonde Mining plc ("Ormonde") (AIM: ORM) to achieve this. There have been a number of discussions with interested parties during the period around structuring a deal for the gold projects and a number of these discussions are on-going. There is currently a very low level of activity taking place on the gold projects, and during this transitional period Aurum will not be funding the projects – this has led to a small dilution on its interest on the gold projects, albeit an immaterial dilution.

Morille tungsten project

Following the completion of the deal with Plymouth Minerals Limited ("Plymouth") (ASX:PLH) in which Plymouth became Aurum's partner on the Morille tungsten project, significant exploration work has been carried out on the project. The Board has been impressed by the energy and enthusiasm of Plymouth and the work done to date has yielded some very promising results. The Board looks forward to updating the market with further exploration updates in the near future.

Review of activities

continued

Key financials

For the twelve months to 31 March 2105, the Company is reporting a loss of £317,000 compared to a loss of £530,000 for the same period in 2014.

During this period of transition, cash management and cost control have remained key priorities for the Company. Administrative costs have been materially reduced over recent months.

On 21 August 2014, the Company announced that it had raised £60,000 (before expenses) through a placing of 4,800,000 new Ordinary Shares.

On 15 April 2015 the Company announced that it had completed a subscription of 25,758,356 new Ordinary Shares to new and existing Shareholders at a price of 1 pence per share to raise approximately £257,500 before expenses.

The funds raised are being used to fund working capital requirements to enable the business to advance its transformation.

Corporate

The Board would like to thank its Shareholders and advisers for their input during this transitional period.

To facilitate the transformation process and to reduce costs, the Company also announced various Directorate changes during the first half of 2015. In addition to David Williams being appointed to the Board as Chairman, Chris Eadie and Mark Jones have stepped down from the Board. Sean Finlay stepped down as Chairman on David's appointment but remains on the Board as a Non-Executive Director along with Haresh Kanabar who also remains on the Board as a Non-Executive Director.

Chris Eadie continues to assist the Company as a Consultant on a part-time basis and in order to keep operating costs to a minimum, David Williams has agreed not to take a salary until a transformational deal is completed.

Qualified person

Sean Finlay, Professional Geologist, Chartered Engineer, Non-Executive Director of Aurum Mining plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, has reviewed and approved the technical information contained in this report.

On behalf of the Board

David Williams

Chairman

29 June 2015

Strategic report

for the year ended 31 March 2015

Principal activity

Aurum Mining plc is a Mining Company with a portfolio of gold and tungsten exploration projects in north west Spain. The gold projects are held through a joint arrangement with Ormonde.

The Company currently retains a 20% carried interest in the Morille tungsten project.

Due to the change in strategy for the Company, the Company divested its subsidiaries during the year ending 31 March 2014, resulting in the Company no longer heading up a group. On this basis, Company-only accounts have been prepared for 2015.

Business review and future developments

A detailed review of activities for the year and future prospects of the Company are included in the Review of Activities Report on pages 3 and 4.

Principal risks and uncertainties

The Company's activities are carried out in Spain and United Kingdom. Accordingly the principal risks and uncertainties are considered to be the following:

Exploration risk

Exploration activities are high risk undertakings and there can be no guarantee that exploration will result in the discovery of an economically viable ore body. Exploration activities may be delayed or adversely affected by factors outside the Company's control, in particular; climatic conditions, performance of joint arrangement partners or suppliers, unknown geological conditions, actions of host governments or other regulatory authorities relating to the grant, maintenance or renewal of any required authorizations, environmental regulations or changes in law.

Financing risk

The Board is currently looking at a number of options to secure a long-term sustainable future for the Company. The Board is cognisant of difficult market conditions facing AIM quoted junior exploration companies but is confident of securing a transformational transaction that will secure the Company both operationally and financially.

Key performance indicators (KPIs)

Costs: The Board and management monitor actual against budgeted costs on a monthly basis.

Finance: Control of bank and cash balances is a priority for the Company and these are budgeted and monitored closely to ensure that the Company maintains adequate liquidity to meet financial commitments as they arise.

On behalf of the Board

David Williams
Chairman

29 June 2015

Report of the Directors

for the year ended 31 March 2015

The Directors present their annual report together with the audited financial statements for the year ended 31 March 2015.

Dividends

The Directors do not recommend payment of a dividend for the year (2014: £nil).

Strategic report

A review of the business and future developments of the Company are included within the Strategic Report and the Review of Activities Report on pages 3 to 5.

Directors

The Directors of the Company who held office during the year and their beneficial interests, at the beginning and end of the year and at the date of signing the financial statements are as follows:

Name of Director

David Williams	Appointed as Chairman on 20 April 2015
S Finlay	Resigned as Chairman and appointed as Non-Executive Director on 20 April 2015
H Kanabar	Remains as Non-Executive Director
M Jones	Resigned as Non-Executive Director on 15 April 2015
C Eadie	Resigned as Chief Executive Officer on 20 March 2015

Directors' interests

	Number of shares held at 31 March 2015	Number of shares held at 31 March 2014
S Finlay	666,055	666,055
H Kanabar	841,668	841,668
M Jones – resigned 15 April 2015	2,746,946	2,746,946
C Eadie – resigned 20 March 2015	1,000,001	1,000,001

There have been no changes to these shareholdings since 31 March 2015 other than in respect to David Williams who was appointed to the Board subsequent to 31 March 2015, and who held 50,083,994 shares as at 29 June 2015.

The Directors' who held office during the year and their interests in the share options of the Company as at 31 March 2015 and 31 March 2014 are as follows:

	Number of options at 1 April 2014	Number of options granted during the year	Number of options exercised during the year	Number of options at 31 March 2015	Exercise Price	Date of grant	First date of exercise	Final date of exercise
C Eadie	2,000,000	–	–	2,000,000	3.5p	27/04/11	27/04/11	26/04/16
M Jones	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16
S Finlay	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16
H Kanabar	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16

The remuneration of Directors during the year is disclosed in note 6.

Donations

The Company made no political donations during the period (2014: £nil).

Report of the Directors

continued

Going concern

Following a review of the Company's operations, its current financial position and cash flow forecasts, the Directors have formed a view that the Company will have sufficient financial resources available to it to continue in operational existence and meet its financial commitments as they arise in the next twelve months. The Directors have formed this view based on the amount of available cash within the Company, the Company's historical track record of raising funds from the AIM market, and the assets and investments the Company holds which could be made available for potential sale, should the need arise.

Based on the above the Directors have concluded that the Company can continue as a going concern for a period of at least twelve months from the date of signing these financial statements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these financial statements.

Further disclosure is provided in Note 1 of the financial statements.

Events after the reporting date

Details of this are included in the Review of Activities Report on pages 3 and 4.

Financial instruments

Details of the use of financial instruments by the Company are contained in Note 16 of the financial statements.

Statement as to disclosure of information to auditors

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors has confirmed that they have taken all steps that he ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

BDO LLP has expressed its willingness to continue in office as auditors and a resolution to appoint BDO will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Company proposes to convene the Annual General Meeting for 12 noon on 6 August 2015 at the offices of Wragge Lawrence Graham & Co LLP, 4 More London Riverside, London SE1 2AU. Notice of the Annual General Meeting is attached at the end of this document.

On behalf of the Board

David Williams

Chairman

29 June 2015

Corporate governance statement

for the year ended 31 March 2015

The Company, being listed on AIM, is not required to comply with the UK Corporate Governance Code ("the Code") issued in September 2012. However the Company has given consideration to the provisions set out in the Code. The Directors support the objectives of the Code and intend to comply with those aspects that they consider relevant to the Company's size and circumstances but do not consider it necessary to comply with the Code in its entirety. Details of these are set out below. A statement of the Directors' responsibilities in respect of the financial statements is set out on page 9. Below is a brief description of the role of the Board and its committees, including a statement regarding the Company's system of internal financial control.

The Board of Directors

The Board currently comprises a Chairman and two Non-Executive Directors.

The Board meets approximately every one to two months and is responsible, inter alia, for setting and monitoring Company strategy, reviewing trading performance, ensuring adequate funding, examining major acquisition opportunities, formulating policy on key issues and reporting to the shareholders.

Internal Financial Control

The Board is responsible for establishing and maintaining the Company's system of internal financial controls. Internal financial control systems are designed to meet the particular needs of the Company and the risk to which it is exposed, and by its very nature can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Directors are conscious of the need to keep effective internal financial control. Due to the relatively small size of the Company's operations, the Directors are very closely involved in the day-to-day running of the business and as such have less need for a detailed formal system of internal financial control. The Directors have reviewed the effectiveness of the procedures presently in place and consider that they are appropriate to the nature and scale of the operations of the Company.

The Audit Committee

An Audit Committee has been established which comprises two Non-Executive Directors – Sean Finlay (who chairs the Committee) and Haresh Kanabar. The Committee is responsible for ensuring that the financial performance of the Company is properly reported on and monitored, and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal controls. The Committee also reviews the Company's annual and interim financial statements before submission to the Board for approval. The role of the Audit Committee is also to consider the appointment of the auditors, audit fees, scope of audit work and any resultant findings.

The Remuneration Committee

The Remuneration Committee comprises two Non-Executive Directors – Haresh Kanabar (who chairs the Committee) and Sean Finlay. It is responsible for reviewing the performance of the Executive Directors and for setting the scale and structure of their remuneration, paying due regard to the interests of Shareholders as a whole and the performance of the Company. The remuneration of the Chairman and the Non-Executive Directors is determined by the Board as a whole, based on a review of the current practices in other companies.

The Nomination Committee

The Nomination Committee comprises two Non-Executive Directors – Sean Finlay (who chairs the Committee) and Haresh Kanabar. The Committee is responsible for reviewing the size, structure and composition of the Board of Directors, succession planning and identifying and monitoring candidates for all Board vacancies.

Statement of Directors' responsibilities

for the year ended 31 March 2015

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Report of the independent auditors

To the members of Aurum Mining Plc

We have audited the financial statements of Aurum Mining plc for the year ended 31 March 2015 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the Company's ability to continue as a going concern. As set out in Note 1 the Directors have reviewed the financial position of the Company. The Directors' conclusion on the Company's ability to continue as a going concern is reliant on the Company raising further funds through the issue of equity or the potential sale of assets or investments held by the Company. As there are no legally binding agreements in place relating to either of these at the date of approval of these financial statements this indicates the existence of a material uncertainty, which may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Report of the independent auditors

To the members of Aurum Mining Plc

continued

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Anne Sayers (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

29 June 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of profit and loss and other comprehensive income

for the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Impairment charge	11	(27)	–
Administrative expenses		(290)	(479)
Operating loss	4	(317)	(479)
Finance income	7	–	1
Loss for the year before taxation		(317)	(478)
Taxation	8	–	–
Loss for the year from continuing operations		(317)	(478)
Loss for the year from discontinued operations, net of tax	3	–	(52)
Loss and total comprehensive loss for the year		(317)	(530)
Loss and total comprehensive loss per share expressed in pence per share			
From continuing operations			
Basic and Diluted	9	(0.22p)	(0.34p)
From discontinued operations			
Basic and Diluted	9	–	(0.03p)
Total operations			
Basic and Diluted	9	(0.22p)	(0.37p)

The notes on pages 16 to 33 form part of these financial statements.

Statement of financial position

as at 31 March 2015

	Notes	2015 £'000	2014 £'000
Assets			
Non-current assets			
Intangible assets	10	899	899
Investments	11	79	64
Amounts owed by subsidiaries		–	–
Total non-current assets		978	963
Current assets			
Receivables	12	13	62
Cash and cash equivalents	16	106	214
Total current assets		119	276
Total assets		1,097	1,239
Liabilities			
Current liabilities			
Trade and other payables	13	89	113
Total current liabilities		89	113
Total liabilities		89	113
Net assets		1,008	1,126
Capital and reserves attributable to the equity holders of the company			
Share capital	14	1,461	1,413
Shares to be issued	19	140	–
Share premium		11,596	11,585
Retained deficit		(12,189)	(11,872)
Total equity		1,008	1,126

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2015. They were signed on its behalf by:

David Williams
Chairman

Company number: 05059457

The notes on pages 16 to 33 form part of these financial statements.

Statement of changes in equity

for the year ended 31 March 2015

	Share capital £'000	Shares to be issued £'000	Share premium £'000	Retained deficit £'000	Total equity £'000
At 1 April 2013	1,413	–	11,585	(11,342)	1,656
Total comprehensive expense for the year	–	–	–	(530)	(530)
At 31 March 2014	1,413	–	11,585	(11,872)	1,126
Total comprehensive expense for the year	–	–	–	(317)	(317)
Issue of shares net of issue costs (note 14)	48	–	11	–	59
Shares to be issued (note 14)	–	140	–	–	140
At 31 March 2015	1,461	140	11,596	(12,189)	1,008

The following describes the nature and purpose of each reserve within owners' equity.

Reserve	Description and purpose
Share capital	Amounts subscribed for share capital at nominal value.
Share premium	Amounts subscribed for share capital in excess of nominal value.
Shares to be issued	Shares for which consideration has been received, but which are not issued yet.
Retained deficit	Cumulative net gains and losses recognised in the income statement less distributions made.

The notes on pages 16 to 33 form part of these financial statements.

Statement of cash flows

for the year ended 31 March 2015

	2015 £'000	2014 £'000
Cash flows from operating activities		
Loss for the year before tax	(317)	(530)
Adjustments for:		
Impairment charge	27	–
Finance income	–	(1)
Disposal of subsidiaries (see note 3)	–	52
Exchange differences	–	1
Cash flow from operating activities before changes in working capital	(290)	(478)
Decrease in other receivables	7	13
(Decrease)/increase in trade and other payables	(24)	18
Net cash flow used in operating activities	(307)	(447)
Investing activities		
Ormonde joint arrangement payments	–	(159)
Disposal of subsidiary net of cash (see note 3)	–	186
Increase in loans to subsidiaries	–	(60)
Net cash flow used in investing activities	–	(33)
Financing activities		
Proceeds from issue of share capital	60	–
Expenses paid in connection with share issues	(1)	–
Cash received in respect of shares to be issued	140	–
Net cash flow from financing activities	199	–
Net decrease in cash and cash equivalents	(108)	(480)
Cash and cash equivalents at the beginning of the year	214	694
Effect of exchange rate changes on cash and cash equivalents	–	–
Cash and cash equivalents at the end of the year	106	214

The notes on pages 16 to 33 form part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2015

1 Accounting policies

The Company is a public limited Company incorporated and domiciled in the United Kingdom. The address of its registered office is 22 Great James Street, London, WC1N 3ES. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements for the year ended 31 March 2015 have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

Basis of consolidation

In the prior year, the Company sold 80% of its only wholly owned subsidiary, leaving the Company with no subsidiaries to consolidate. Consolidated accounts have therefore not been prepared in 2015, and accordingly, Company financial statements have been prepared for the current and the prior year.

Functional and presentational currency

The financial statements are presented in Great Britain Pounds Sterling, and all values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated.

Basis of accounting and adoption of new and revised standards

The following new standards and amendments to standards are mandatory for the first time for the Company for financial year beginning 1 January 2014. Except as noted, the implementation of these standards did not have a material effect on the Company.

Standard	Description	Effective date	Impact on initial application
IFRS 10	Consolidated Financial Statements	1 Jan 2014	No impact
IFRS 11	Joint Arrangements	1 Jan 2014	No impact
IFRS 12	Disclosure of Interests in Other Entities	1 Jan 2014	No impact
IAS 27	Amendment – Separate Financial Statements	1 Jan 2014	No impact
IAS 28	Amendment – Investments in Associates and Joint Ventures	1 Jan 2014	No impact
IAS 32	Offsetting Financial Assets and Financial Liabilities	1 Jan 2014	No impact
IAS 36	Recoverable Amounts Disclosures for Non-financial Assets	1 Jan 2014	No impact
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 Jan 2014	No impact
IFRIC 21	Levies	17 Jun 2014	No impact

No other IFRS issued and adopted but not yet effective are expected to have an impact on the Company's financial statements.

Notes to the financial statements

continued

1 Accounting policies (continued)

Basis of accounting and adoption of new and revised standards (continued)

Standards, amendments and interpretations, which are effective for reporting periods beginning after the date of these financial statements which have not been adopted early:

Standard	Description	Effective date
IAS 1*	Presentation of Financial Statements (Amendments)	1 Jan 2016
IAS 19	Defined Benefit Plans (Amendments)	1 Feb 2015
IAS 16* and IAS 38*	Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
IFRS 11*	Joint Arrangements (Amendments)	1 Jan 2016
IAS 27*	Separate Financial Statements	1 Jan 2016
IFRS 10* and IAS 28*	Investments in Associates and Joint Ventures (Amendments)	1 Jan 2016
IFRS 9*	Financial Instruments	1 Jan 2018
IFRS 10, IFRS 12 and IAS 28	Investment Entities (Amendments)	1 Jan 2016
IFRSs	Annual Improvements to IFRSs (2010 – 2012 Cycle)	1 Feb 2015
IFRSs	Annual Improvements to IFRSs (2011 – 2013 Cycle)	1 Jan 2015
IFRSs*	Annual Improvements to IFRSs (2012 – 2014 Cycle)	1 Jan 2016
IAS 16*, IAS 38*	Clarification of acceptable methods of depreciation and amortisation	1 Jan 2016
IFRS 15*	Revenue from Contracts with Customers	1 Jan 2017

*not yet been endorsed by the European Union at the date that these financial statements were approved and authorised for issue by the Board.

The Company is evaluating the impact of the above pronouncements but they are not expected to have a material impact on the Company's income or equity.

Going concern

Following a review of the Company's operations, its current financial position and cash flow forecasts, the Directors have formed a view that the Company will have sufficient financial resources available to it to continue in operational existence and meet its financial commitments as they arise in the next twelve months. The Directors have formed this view based on the amount of available cash within the Company, the Company's historical track record of raising funds from the AIM market, and the assets and investments the Company holds which could be made available for potential sale, should the need arise.

Based on the above the Directors have concluded that the Company can continue as a going concern for a period of at least twelve months from the date of signing these financial statements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these financial statements.

The forecasts prepared by the Directors reflect the requirement for the Company to raise further funds over the next twelve months or to dispose of at least one of the assets or investments of the Company. Given that at the date of approval of these financial statement there are no legally binding agreements in place relating to either fundraising or to the sale of any of the Company's assets or investments, there can be no certainty relating to these potential causes of action, despite the Company's track record of raising funds or completing asset transactions. This position indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern, which would principally relate to the impairment of intangible assets and investments.

Notes to the financial statements

continued

1 Accounting policies (continued)

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at the fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged to the income statement on a straight line basis over the term of the lease.

Impairment of non-financial assets

The Company's non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying amount of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment loss is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit and loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Company's financial assets fall into two categories, loans and receivables and available for sale financial assets which are discussed below. The Company does not have any held to maturity or fair value through profit and loss financial assets.

(a) Loans and receivables

Receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(b) Available for sale financial assets

These comprise of the Company's investments in entities not qualifying as subsidiaries, associate or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in other comprehensive income, except in the case of investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be readily measured, which are measured at cost.

Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive income, is recognised in profit and loss.

Notes to the financial statements

continued

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with less than three months original maturity that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The Company's financial liabilities fall into one category, financial liabilities held at amortised cost, which is discussed below.

Financial liabilities held at amortised cost

Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. The Company's financial liabilities are trade payables and other short term liabilities.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Finance income and expense

Finance income comprises interest income on funds invested and foreign exchange gains. Interest income is recognised as it accrues, calculated in accordance with the effective interest rate method.

Finance costs comprise interest expense on borrowings, the accumulation of interest on provisions and foreign exchange losses.

Income taxes

The charge for taxation is based on the profit or loss for the year and takes into account deferred tax. Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax based in the computation of taxable profit or loss, and is accounted for using the balance sheet method.

Deferred tax assets are only recognised to the extent that it is probable that future tax profit will be available in the foreseeable future against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

National Insurance on share options

To the extent that the share price as at the reporting date is greater than the exercise price of outstanding options, provision for any National Insurance contributions has been made based on the prevailing rate. The provision is accrued over the performance period attaching to the award.

Notes to the financial statements

continued

1 Accounting policies (continued)

Pension contribution

The Company does not enter into any pension scheme arrangements. The Company does make payments in lieu of pensions for certain individuals; these costs are expensed as incurred.

Share-based payments

In order to calculate the charge for share-based payments as required by IFRS2, the Company makes estimates principally relating to assumptions used in its option-pricing model as set out in note 15.

The cost of equity-settled transactions with suppliers of goods and services is measured by reference to the fair value of the good or service received, unless that fair value cannot be estimated reliably. The fair value of the good or service received is recognised as an expense as the Company receives the good or service. The cost of equity-settled transactions with employees, and transactions with suppliers where fair value cannot be estimated reliably, is measured by reference to the fair value of the equity instrument. The fair value of equity-settled transactions with employees is recognised as an expense over the vesting period. The fair value of the equity instrument is determined at the date of grant, taking into account market based vesting conditions. The fair value is determined using an option pricing model.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest, or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous reporting date is recognised in the income statement, with a corresponding entry in equity.

Joint arrangements

The Company is party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Company and at least one other party.

The Company classifies its interests in joint arrangements as either:

- **Joint ventures:** where the Company has rights only to the net assets of the joint arrangement
- **Joint operations:** where the Company has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Company considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances.

The Company had joint operations only during the year, and at year end. The Company accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

Notes to the financial statements

continued

1 Accounting policies (continued)

Pre-production assets

Pre-production assets are categorized as intangible assets on the statement of financial position. Pre-licence expenditure is expensed as directed by IFRS 6. Expenditure on licence acquisition costs, geological and geophysical costs, costs of drilling exploration, appraisal and development drilling, and an appropriate share of overheads are capitalised in the relevant cash-generating unit. These costs which relate to the exploration, appraisal and development of mining interests are initially held as intangible non-current assets pending determination of commercial viability. On commencement of production these costs are transferred to production assets.

2 Accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial information and the reported amounts of expenses during the reporting periods. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates. The key accounting estimates and judgments are set out below:

(a) Carrying value of mineral properties and pre-production assets

The Company assesses at each reporting period whether there is any indication that there may be facts or circumstances relating to these assets which may be impaired. If such indication exists, the Company estimates the recoverable amount of the asset. In the early stages of exploration an indication of impairment may arise from drilling and assay results or from management's decision to terminate the project. The recoverable amount is assessed by reference to the higher of 'value in use' where a project is still expected to be developed into production and 'fair value less cost to sell'. No impairment has been booked in either this year, or the prior year. See Note 10 for further discussion.

(b) Exploration and evaluation expenditure

The Company has to apply judgement in determining whether exploration and evaluation expenditure should be capitalised within intangible assets as an exploration and evaluation asset, or expensed. The Company has a policy of capitalising all applicable exploration and evaluation costs. Management therefore exercises judgement based on the nature, type and purpose of the exposure incurred. The total value of such costs capitalised as at each of the reporting dates is set out in Note 10.

(c) Share-based payments

In determining the fair value of share-based payments made during the period, a number of assumptions have been made by management. The details of these assumptions are set out in Note 15.

(d) Going concern

In assessing whether the Company is a going concern and confirming the basis of preparation for the year a number of judgements have been made. The details of these judgments are set out in Note 1.

Notes to the financial statements

continued

3 Discontinued operations

On 30 October 2013, Aurum disposed of an 80% interest in Morille tungsten project through the disposal of 80% of its wholly owned subsidiary Morille. Morille was a wholly owned subsidiary of Aurum Mining PLC which was held indirectly through a wholly owned subsidiary Castilla Mining SLU ('Castilla'). Prior to the transaction, the Company effected a reorganisation of the Group in order to leave Aurum with a 20% residual shareholding in Morille following the transaction with Plymouth.

The principle elements of the reorganisation were:

- (a) Aurum acquired a direct 20% Shareholding in Morille from Castilla, in October 2013.
- (b) Following the above step, Aurum disposed of 100% of Castilla (and therefore an 80% interest in Morille) to Plymouth (a company listed on the ASX). The disposal to Plymouth was for a total consideration of €300,000 (£251,000 at exchange rate of 1.195 euros to GBP) of which €50,000 was deferred for 12 months and has in the current year been settled by issue of shares in Plymouth.

For the avoidance of doubt post the reorganisation Aurum was left with a 20% direct interest in Morille and the remaining 80% is owned by Plymouth.

In the current year there were no discontinued operations. As a result of this disposal, the Directors consider that there is just a single operating segment, and therefore, no additional operating segmental analysis is provided in these financial statements.

Financial information relating to the discontinued operations for the prior year to the date of disposal is set out below.

	2014
	£'000
Consideration received:	
Consideration cash	188
Consideration option fee (cash)	21
Deferred consideration (payment in Plymouth shares on 31/10/14)	42
Fair value of investment retained	64
Total consideration	315
Net assets disposed:	
Non-current assets	318
Trade and other receivables	6
Legal costs directly attributable to sale of Castilla/Morille Mining	21
Total net assets disposed of	345
Loss on disposal of discontinued operations	(30)
Results of discontinued operations:	
Operating expenses	(22)
Loss from selling operations after tax	(30)
Loss from discontinued operations	(52)
The cash flow statements includes the following amounts relating to discontinued operations:	
Cash flow used in operating activities	(22)
Cash flow from investing activities	124
Cash flow from financing activities	–
Total cash flows from discontinued operations	102

Notes to the financial statements

continued

4 Operating loss

Operating loss is stated after charging:

	2015 £'000	2014 £'000
Operating lease expense	13	30
External auditors' remuneration		
– Audit fee for the annual audit of the Company and financial statements	24	22
– Other taxation services	3	4

The Company has a policy in place for the award of non-audit work to the auditors, which requires approval of the Audit Committee.

5 Staff costs

	2015 £'000	2014 £'000
Wages and salaries	133	286
Social security costs	12	28
Pension costs	6	10
Share based payments	–	–
	151	324

Staffs costs comprise both Directors' and staff salaries, fees and benefits and share based payments and are shown gross.

The share-based payment charge for the year was £nil (2014: £nil).

The weighted average monthly number of employees, including Directors, employed by the Company during the year was:

	2015	2014
Administration	4	5
Total	4	5

Notes to the financial statements

continued

6 Directors' emoluments	2015 £'000	2014 £'000
Directors' emoluments	133	238
Social security costs	12	22
Pension costs	6	10
Total Directors' emoluments	151	270
Share based payments	–	–
	151	270

The remuneration of Directors during the year was as follows:

	Directors' emoluments 2015 £	Pension costs 2015 £	Total 2015 £	Total 2014 £
Executive Directors				
C Eadie	85,091	6,382	91,473	165,093
Non-Executive Directors				
M Jones	15,000	–	15,000	26,750
S Finlay	17,496	–	17,496	29,872
H Kanabar	15,000	–	15,000	26,750
Total 2015	132,587	6,382	138,969	248,465
Total 2014	238,622	9,843	–	248,465

No share options were granted to the Directors during the year (2014: nil) and no share options were exercised during the year (2014: nil). For further information refer to the Directors' report or Note 15.

The highest paid Director received emoluments (excluding share based payments) totalling £91,473 (2014: £165,093).

M Jones is paid via J Cubed Ventures Ltd, a private service company.

S Finlay is paid via Mostop Ltd, a private service company.

H Kanabar is paid via Poonam & Roshni Ltd, a private service company.

Directors' interests and share options are disclosed in the Directors' report.

In 2015 and 2014 key management personnel are considered to be Directors only.

7 Finance income and expenses	2015 £'000	2014 £'000
Finance income		
Exchange gains	–	1
	–	1

Notes to the financial statements

continued

8 Taxation

No current or deferred tax charge has arisen in the current year.

The Company has incurred tax losses for the year and a corporation tax charge is not anticipated. At 31 March 2015, the Company had tax losses of £7.1m (2014: £6.6m) carried forward which can be used against future profits. The majority of these losses arose in a jurisdiction with a lower tax rate than in the UK. However, these losses are only recoverable against future profits, the timing of which is uncertain and as a result no deferred tax asset is being recognized in relation to these losses.

The total of potential deferred tax assets relating to tax losses which have not been recognised for in the financial statements amount to £1.4m (2014: £1.5m).

The Directors believe that there have been no breaches of foreign tax regulations and that all necessary provisions have been made in these accounts.

Current taxation

The tax assessed for the year is different from the standard rate of Corporation Tax in the UK. The differences are explained below:

	2015 £'000	2014 £'000
Loss before taxation	(317)	(530)
Loss at the standard rate of Corporation tax in the UK of 21% (2014: 23%)	(67)	(122)
Effects of:		
Unutilised tax losses carried forward	67	122
Current tax charge	–	–

The Company did not recognise any deferred tax assets or liabilities at 31 March 2015 or 2014.

9 Loss per share

Basic loss per share is calculated by dividing the loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of all the dilutive potential ordinary shares. The potential dilutive shares are anti-dilutive in 2014 and 2015 as the Company is loss making.

At the reporting date there were 4,450,000 (2014: 4,450,000) potentially dilutive ordinary shares. Dilutive potential ordinary shares include share options and warrants.

	2015 £'000	2014 £'000
Net loss attributable to equity holders of the parent:		
From continuing operations	(317)	(478)
From discontinued operations	–	(52)
From total operations	(317)	(530)
	2015 Number	2014 Number
Weighted average number of shares	145,296,862	141,291,930

Notes to the financial statements

continued

10 Intangible assets

	Gold exploration £'000	Tungsten project £'000	Total £'000
Cost			
As at 1 April 2013	740	260	1,000
Additions	159	57	216
Disposal	–	(317)	(317)
At 31 March 2014	899	–	899
Impairment	–	–	–
At 31 March 2015	899	–	899
Net book value			
At 31 March 2015	899	–	899
At 31 March 2014	899	–	899
At 31 March 2013	740	260	1,000

On 14 March 2011 the Company entered into a joint arrangement with Ormonde Mining plc, through its Spanish subsidiary Saloro SL, and since entering into the joint arrangement Aurum has a 57.83% (2014: 60%) interest in two permit areas in the Zamora province (Pino) and a 52.51% (2014: 54%) interest in the two permit areas in the Salamanca province (Cabeza and Peralonso). The Company has assessed that it holds joint control over the licences, due to the fact that the key strategic decisions are made by the unanimous consent of both parties. The joint arrangement was not structured through a separate entity, and is therefore classified as a joint operation.

Under the terms of the joint operation, funding of the projects is now carried out on a pro-rata basis by Aurum and Ormonde in line with each party's interest in the various projects.

Given the challenging market conditions and after taking into account the available cash resources of the Company the Board is not currently committing further funds to the gold projects. This will result in a dilution of Aurum's interest in these projects, but given the current low levels of activity by the joint operation this dilution will be minimal. The Board will keep this situation under constant review and is looking at other ways of funding the joint operation including strategic partnerships and corporate alliances.

The decision taken to not commit to future funding of the gold assets is an indicator of impairment under IFRS 6. As a result, the Directors have reviewed the carrying value of the exploration assets and consider them to be fairly stated and not impaired at 31 March 2015. Impairment has been assessed through analysis of publically available technical reports, and sensitized market data, including gold prices, which indicate a recoverable amount greater than cost. This included evaluating the potential decline in fair value as a result of reasonable falls in the worldwide gold price. Due to the early stage of the project, there is naturally uncertainty over the recoverable amount, however the Directors consider that the pre-production asset is fairly stated at cost, and should not be impaired. The recoverability of the intangible assets is dependent upon the future realisation or disposal of the gold resources.

Notes to the financial statements

continued

11 Investments	2015 £'000	2014 £'000
Investment in Morille Mining	64	64
Investment in Plymouth Minerals Ltd	15	–
	79	64

Morille Mining

Following the disposal of an 80% stake in the Morille tungsten project to Plymouth in 2014, the Company has retained a 20% interest in the project through Aurum's 20% shareholding in Morille Mining SLU.

Further details on this transaction are outlined in Note 3 (Discontinued Operations).

Given that the Company is unable to exert any operational influence over the Morille tungsten project, the Directors have determined to account for the Company's residual interest in the Morille project as an Investment rather than as an Associate. The Directors consider that accounting for the asset as an investment rather than an Associate is appropriate given the substance of the transaction and the difference between the definitions of an associate and an investment under IFRS.

The investment is held at cost, as it is an investment in an equity instrument that does not have a quoted market price in an active market and the fair value of which cannot be readily measured.

Impairment has been assessed through analysis of publically-available technical information regarding the main licence area being explored by Morille. In addition, calculations of the implied market value based on the market capitalisation of Plymouth have been made. From an assessment of these and other factors, the Directors have determined that the investment is unimpaired.

Plymouth Minerals Limited

On 4 November 2014 the Company received 715,000 ordinary shares in Plymouth Minerals Limited (ASX:PLH) listed on the Australian Securities Exchange as the deferred payment of €50,000 (£42,000) worth of shares under the Morille project share purchase agreement, as final consideration for the acquisition of the project. The share price on 4 November 2014 was AUS \$0.10 and as at 31 March 2015 was AUS \$0.04 resulting in a fair value loss of £27,000. The Directors have assessed the nature of this loss and have determined that, given its significant and prolonged nature, the decline in the fair value represents an impairment loss. Consequently, the amount of the loss is recognised in Profit and Loss, as an impairment charge.

12 Receivables	2015 £'000	2014 £'000
Due from sale of Morille Mining	–	42
VAT recoverable	7	14
Prepayments	6	6
	13	62

On 4 November 2014 the Company received 715,000 ordinary shares in Plymouth Minerals Limited (ASK:PLH) listed on the Australian Securities Exchange as deferred payment of Euros €50,000 (£42,000) worth of shares as per the Morille project share purchase agreement, as final consideration for the acquisition of the project. The investment in Plymouth is accounted for as an Available for Sale financial asset, as explained further in Note 11.

The fair value of receivables approximates their carrying value.

Notes to the financial statements

continued

13 Trade and other payables	2015 £'000	2014 £'000
Current		
Trade payables	47	48
Other taxation and social security	2	6
Accruals	40	59
	89	113

The fair value of trade and other payables is not materially different from the carrying value.

14 Share capital	2015		2014	
	£0.01 Number	ordinary shares £'000	£0.01 Number	ordinary shares £'000
Allotted, issued and fully paid ordinary shares				
At beginning of year	141,291,930	1,413	141,291,930	1,413
Issue of shares	4,800,000	48	–	–
At end of year	146,091,930	1,461	141,291,930	1,413

Share capital

The following issues of shares were undertaken in the year ended 31 March 2015:

On 28 August 2014, 4,800,000 new ordinary shares of 1p were issued at 1.25p by way of placing, a premium of 0.25p for a total cash consideration of £60,000.

Of these shares issued, 4,000,000 ordinary shares of 1p each were allotted to Mr David Williams (through an intermediary company D. W. Pension Fund Ltd.). Mr Williams is a long term Shareholder, and this issue took his total shareholding to 36,083,994 ordinary shares representing 24.7% of the enlarged share capital. His participation in the placing constituted a related party transaction in accordance with AIM Rule 13. The Independent Directors, having consulted with the Company's nominated advisor WH Ireland, considered the terms of the transaction with D. W. Pension Fund Ltd. to be fair and reasonable insofar as its Shareholders are concerned.

Post year end, as described in more detail in Note 19, the Company announced the placing of 25,758,356 new ordinary shares to new and existing Shareholders at a price of 1p per ordinary share. At 31 March 2015, the Company was in receipt of £140,000, which was settled by the issue of the new ordinary shares. The Directors have decided to account for this amount as equity, and consequently have credited a reserve in equity, 'shares to be issued', to record this amount. When the shares were issued, this amount was transferred to share capital,

There were no shares issued in the year ended 31 March 2014.

Notes to the financial statements

continued

15 Share Options

The following options over ordinary shares remained outstanding at 31 March 2015:

	Options at 1 April 2014	Options issued during the year	Options exercised during the year	Options at 31 March 2015	Exercise price	Date of grant	First date of exercise	Final date of exercise
Options – Directors								
M Jones	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16
S Finlay	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16
H Kanabar	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16
Options – Employees and consultants:								
S Beardsmore	500,000	–	–	500,000	3.0p	07/12/12	07/12/12	06/12/17
C Eadie	2,000,000	–	–	2,000,000	3.5p	27/04/11	27/04/11	26/04/16
Total	4,450,000	–	–	4,450,000				

The following options over ordinary shares remained outstanding at 31 March 2014:

	Options at 1 April 2013	Options issued during the year	Options exercised during the year	Options at 31 March 2014	Exercise price	Date of grant	First date of exercise	Final date of exercise
Options – Directors								
M Jones	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16
C Eadie	2,000,000	–	–	2,000,000	3.5p	27/04/11	27/04/11	26/04/16
S Finlay	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16
H Kanabar	650,000	–	–	650,000	3.5p	27/04/11	27/04/11	26/04/16
Options – Employees and consultants:								
S Beardsmore	500,000	–	–	500,000	3.0p	07/12/12	07/12/12	06/12/17
Total	4,450,000	–	–	4,450,000				

The following illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	2015 Number	2015 WAEP Pence	2014 Number	2014 WAEP Pence
Outstanding at beginning of year	4,450,000	3.4	4,450,000	3.4
Issued	–	–	–	–
Exercised	–	–	–	–
Lapsed during the year	–	–	–	–
Outstanding at 31 March	4,450,000	3.4	4,450,000	3.4
Exercisable at 31 March	4,450,000	3.4	4,450,000	3.4

The expense recognised for share-based payments in respect of Employees, Directors and consultant services received during the year ended 31 March 2015 was £nil (2014: £nil).

Notes to the financial statements

continued

16 Financial instruments

The Company uses financial instruments, other than derivatives, comprising cash at bank and various items such as trade and other payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

Categories of financial assets and financial liabilities:

	2015 £'000	2014 £'000
Available-for-sale financial assets		
Investment in Morille	64	64
Investment in Plymouth Ltd	15	–
Other financial assets		
Deferred consideration in respect of the Morille sale	–	42
Cash and cash equivalents	106	214
Total financial assets	185	320
Financial liabilities at amortised cost		
Trade and other payables	89	107
Total financial liabilities	89	107

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's Finance function. The Board receives monthly reports from the Chief Executive Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The main risks arising from the Company's financial instruments are liquidity risk, credit risk, market price risk, currency risk, and interest rate risk. Further details regarding these policies are set out below:

Liquidity risk

The Company finances its operations through the issue of equity share capital. The Company seeks to manage financial risk, to ensure sufficient liquidity to meet foreseeable requirements and to invest cash profitably at low risk.

The Company holds investments in bank deposits as a liquid resource to fund the projects of the Company. The Company's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Company's expenditure. Liquidity risk is further managed by tight controls over expenditure.

Notes to the financial statements

continued

16 Financial instruments (continued)

Market price risk

The Company holds some strategic equity investments in other companies where those complement the Company's operations (see Note 11). The Directors believe that the exposure to market price risk from this activity is acceptable in the Company's circumstances. The effect of a 10% increase in the value of the equity instruments measured at fair value (i.e. the shares in Plymouth) would have increased net assets, and decreased the impairment charge, by £1,500. A 10% decrease in their value would have decreased net assets, and increased the impairment charge, by the same amount.

Maturity analysis of financial liabilities:

	2015 £'000	2014 £'000
Less than 3 months	89	107

Credit risk

The Company's credit risk is primarily attributable to the cash held on deposit at financial institutions. It is the Company's policy to only use recognised financial institutions for these deposits. The Company does not have any trade receivables. Please also refer to going concern disclosures in the Report of the Directors on pages 6 and 7.

Currency risk

The Company does not hedge its exposure of foreign investments held in foreign currencies. The Company is exposed to translation and transaction foreign exchange risk and takes profits or losses on these as they arise. The Company is continually reviewing its strategy towards currency risk.

Currency of net monetary asset

The net monetary assets of the Company are denominated as follows:

	2015 £'000	2014 £'000
UK Pounds:		
Cash and cash equivalents	106	214
Trade and other payables	(87)	(107)
Other Taxation and social security	(2)	–
	17	107

Interest rate risk

The Company's exposure to changes in interest rates relates primarily to cash at bank. Cash is held either on current or on short term deposits at floating rates of interest determined by the relevant bank's prevailing base rate. The Company seeks to obtain a favourable interest rate on its cash balances through the use of bank treasury deposits.

The Company has financed its operations through the issue of equity share capital.

The Company earned interest on its cash assets at rates between 0% and 0.50% (2014: 0% and 0.50%).

An increase of 0.5% in interest rates will increase finance income by £nil (2014: £2,000), with a corresponding movement in net cash.

Notes to the financial statements

continued

16 Financial instruments (continued)

Cash and cash equivalents	2015 £'000	2014 £'000
Floating interest rate	106	214

Fair values

The fair values of the Company's financial instruments are considered not materially different from the book value, with the exception of the investment in Morille. The investment in Morille is carried at cost, due to the fact that it is an investment in an equity instrument that does not have a quoted price in an active market. Fair value information has not been disclosed in the accounts, as the fair value cannot be reliably measured. There are no current plans to dispose of this investment.

Capital disclosures

As described in note 14 and consolidated statement of changes in equity, the Company considers its capital to comprise its ordinary share capital, share premium and accumulated retained deficit as its capital reserves. In managing its capital, the Company's primary objective is to ensure its continued ability to provide a consistent return for its equity Shareholders through capital growth. In order to achieve this objective, the Company seeks to maintain a sufficient funding base to enable it to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims through new share issues, the Company considers not only its short-term position but also its long-term operational and strategic objectives.

There have been no significant changes to the Company's capital management objectives, policies and processes in the year nor has there been any change in what the Company considers to be its capital.

17 Financial commitments

The Company does not have any capital or contractual commitments at 31 March 2015 (2014: nil).

18 Related party transactions

Mr David Williams

On 28 August 2014, 4,800,000 new ordinary shares of 1p were issued at 1.25p, a premium of 0.25p for a total cash consideration of £60,000.

Of these shares issued, 4,000,000 ordinary shares of 1p each were allotted to Mr David Williams (through an intermediary company D. W. Pension Fund Ltd.), a long term Shareholder taking his total holding to 36,083,994 ordinary shares representing 24.7% of the enlarged share capital. His participation in the placing constituted a related party transaction in accordance with AIM Rule 13. The Independent Directors, having consulted with the Company's nominated advisor WH Ireland, consider the terms of the transaction with D. W. Pension Fund Ltd. to be fair and reasonable insofar as its Shareholders are concerned.

Other than disclosed in notes 6, 14 and 19 there were no related party transactions for the Company during the current and prior period.

Notes to the financial statements

continued

19 Events after the reporting period

Details of significant changes in the state of affairs of the Company or events after the reporting period are included within the Review of Activities Report on pages 3 and 4.

On 15 April 2015 the Company announced the placing of 25,758,356 new ordinary shares to new and existing Shareholders at a price of 1p per share raising £257,584 before expenses.

David Williams, a long term Shareholder in the Company acquired 14,000,000 new Ordinary shares taking his total holding to 50,083,994 ordinary shares representing 29.14 per cent of the enlarged share capital. The Company received the payment of £140,000 in respect of the placing in advance before the year end 31 March 2015 and before the shares were issued, as explained further in Note 14. David's participation in the placing constitutes a related party transaction in accordance with AIM Rule 13. The Directors, having consulted with the Company's nominated advisor WH Ireland, consider the terms of the transaction with David Williams to be fair and reasonable insofar as its Shareholders are concerned.

The placing will be used to fund working capital requirements to enable the business to advance its transformation as set out in the Annual Report.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Aurum Mining plc (registered with Company number 05059457) (the “Company”) will be held at 12 noon on 6 August 2015 at the offices of the Company’s solicitors, Wragge Lawrence Graham & Co LLP, 4 More London Riverside, London SE1 2AU to consider and if thought fit to pass the following resolutions, which in the case of resolutions 1 to 5 will be proposed as ordinary resolutions and in the case of resolutions 6 and 7 will be proposed as special resolutions:

Ordinary Business

1. To receive and adopt the financial statements for the year ended 31 March 2015 together with the directors’ report and auditors’ report therein.
2. To appoint David Williams, pursuant to article 95 of the Company’s articles of association, as a Director at the Annual General Meeting.
3. To re-elect Haresh Kanabar, who retires by rotation as a Director under article 89 of the Company’s articles of association and, being eligible, offers himself for re-election as a Director at the Annual General Meeting.
4. To re-appoint BDO LLP as auditors to the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration.

Special Business

5. THAT, the Directors be and are hereby generally and unconditionally authorised (in substitution for any existing such powers) for the purposes of section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any securities into shares (“Rights”) up to a maximum aggregate nominal amount of £572,834.28, provided that this authority shall expire (unless previously revoked, varied or extended by the Company in a general meeting) on the earlier of the conclusion of the next annual general meeting of the Company or 30 September 2016, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired.
6. THAT, (subject to the passing of Resolution 5 above) in accordance with section 570 and 573 of the Act, the Directors be and they are hereby empowered (in substitution for any existing such powers) to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by the previous resolution and/or sell ordinary shares held by the Company as treasury shares (“Treasury Shares”) for cash as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities and the sale of Treasury Shares:
 - (a) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to Treasury Shares, fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;
 - (b) otherwise than pursuant to sub-paragraph a. above up to a maximum aggregate nominal amount of £343,700.57,

and such authority shall expire (unless previously revoked, varied or extended by the Company in a general meeting) on the earlier of the conclusion of the next annual general meeting of the Company or 30 September 2016, save that the Company may, before such expiry allot equity securities or sell Treasury Shares in pursuance of any such offer or agreement notwithstanding that the power conferred hereby has expired.

Notice of Annual General Meeting

continued

7. THAT, the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Act to make market purchases (as defined by section 693(4) of the Act) on the London Stock Exchange of ordinary shares of 1 pence each in the capital of the Company (“**Ordinary Shares**”) provided that:
- (a) the maximum aggregate number of shares authorised to be purchased is 25,760,357 Ordinary Shares;
 - (b) the minimum price which shall be paid for the Ordinary Shares is 1 pence for each share, and the maximum price (exclusive of expenses) which may be paid for such shares is five per cent. above the average of the middle market quotations derived from the London Stock Exchange Daily Official List for the five business days before the purchase is made;
 - (c) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the earlier of the conclusion of the next annual general meeting of the Company or 30 September 2016; and
 - (d) the Company may, before such expiry, make a contract to purchase its own shares under the authority hereby conferred which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of such a contract.

By Order of the Board

Haresh Kanabar
Secretary

Registered Office:
22 Great James Street
London WC1N 3ES

Dated: 29 June 2015

Notice of Annual General Meeting

continued

Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him/her. The proxy need not be a member of the Company but must attend the meeting to represent you.
2. Members may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's Registrars, Neville Registrars on +44 (0) 121 585 1131.
3. A Form of Proxy is enclosed. To be valid, the Form of Proxy, together with a power of attorney or other authority, if any, under which it is executed or a notarially certified copy thereof, must be deposited at the Company's Registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA or returned by fax to +44 (0) 121 585 1132 48 hours before the time fixed for the meeting (or adjournment thereof) excluding non-working days.
4. In the case of a corporation, the Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the votes "For" and "Against" a resolution.
7. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
8. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6 p.m. on 4 August 2015 shall be entitled to attend and vote, whether in person or by proxy, at the Annual General Meeting, in respect of the number of ordinary shares in the capital of the Company registered in their name at that time. Changes to entries in the register of members after 6 p.m. on 4 August 2015 shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST personal members, sponsored CREST members and CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action for them.

Notice of Annual General Meeting

continued

10. To complete a valid proxy appointment or instruction using the CREST service, the CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted and received by Neville Registrars (Participant ID: 7RA11) 48 hours (save that weekends, Christmas Day, Good Friday and any bank holiday within the UK shall not count in the 48 hour period) before the time fixed for the meeting (or adjournment thereof) excluding non-working days. The time of receipt of the instruction will be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Neville Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to ensure that his CREST sponsor or voting service provider(s) take(s) the necessary action) to ensure that a message is transmitted by means of the CREST system by a particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat a CREST Proxy Instruction as invalid as set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
13. Completion and return of a Form of Proxy will not preclude members from attending or voting in person at the meeting if they so wish.

Notice of Annual General Meeting

continued

Explanatory Notes to the Notice of Annual General Meeting

The notes below give an explanation of the proposed “special business” resolutions to be considered at the annual general meeting to be held at 12 noon on 6 August 2015 at the offices of the Company’s solicitors, Wragge Lawrence Graham & Co LLP, 4 More London Riverside, London SE1 2AU. Resolution 5 is to be proposed as an ordinary resolution; this means that for the resolution to be passed, more than half of the votes cast must be in favour. Resolutions 6 and 7 will be proposed as special resolutions; this means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

Resolution 5

The current authority of the Directors to issue shares will expire at the Company’s 2015 Annual General Meeting. Resolution 5, which is proposed as an ordinary resolution, is to provide the Directors with authority to issue new Ordinary Shares up to an aggregate nominal value of £572,834.28 representing approximately one-third of the current issued share capital of the Company.

This authority will expire on the earlier of the next annual general meeting of the Company or 30 September 2016.

Resolution 6

The current power of the Directors to issue shares on a non pre-emptive basis will expire at the Company’s 2015 Annual General Meeting. Resolution 6, which is proposed as a special resolution, is to approve a disapplication of statutory pre-emption rights in respect of the issue of new Ordinary Shares or sale of treasury shares for cash limited to allotments or sales in connection with pre-emptive offers (subject to such exclusions as the Directors deem necessary or expedient) or otherwise up to an aggregate nominal value of £343,700.57 representing approximately 20 per cent. of the current issued share capital of the Company.

The Directors have no current intention to issue shares pursuant to this authority but consider that it is prudent to have this authority so as to be able to act at short notice if circumstances change. This authority will expire on the earlier of the next annual general meeting of the Company or 30 September 2016.

Resolution 7

This resolution, which is proposed as a special resolution, is to authorise the Company to purchase up to 25,760,357 Ordinary Shares in the market, representing approximately 14.99 per cent. of the current issued Ordinary Share capital of the Company, at a price not less than the nominal value of the Ordinary Shares (being one pence) and not more than 5 per cent. above the average of the middle market quotations of the Company’s Ordinary Shares derived from the London Stock Exchange Daily Official List for the five business days before the purchase is made.

The Company may either cancel any shares that it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them). This authority will expire on the earlier of the next annual general meeting of the Company or 30 September 2016. The Directors have no present intention of making such purchases, but consider that it is prudent to have this authority so as to be able to act at short notice if circumstances change.

